

# CHILE AND CENTRAL INTELLIGENCE AGENCY INTERVENTION, 1964 - 1973

## Part 1

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*"In the past we have suffered the economic boycott, internal, and external subversion; today we suffer a conspiracy of silence, to keep the facts and pernicious effects of the policies of intervention from being known."*

### A Conspiracy of Silence

I want to thank you, on behalf of the people of Chile, especially those people who have suffered prison, torture, or death under the dreadful military dictatorship. We consider this invitation to talk about the Central Intelligence Agency and world peace very important.

I have arrived here not without encountering difficulties to enter this country. If in the past we have suffered the economic boycott and the internal and external subversion, today we suffer a conspiracy of silence imposed upon us to keep the facts and the pernicious effects of the policies of intervention from being known. That is why we value this meeting so highly.

### The Establishment of Fascist Regimes

You have named this seminar "The CIA and Peace". We feel that it would be just as proper to call it: "The CIA and Fascism against Peace". It is no longer a secret today that CIA activities are directed to stimulate the establishment of Fascist regimes which are a constant threat to Democracy, and consequently, to world peace.

It appears a crude irony of history that this great nation, which was the first to gain its independence in the western hemisphere, under the banner of the people's right to self-determination, should now be known — because of its leaders — as the champion of intervention and as the supporter of puppet regimes opposed to the people's will.

Today, there is full and confessed confirmation of CIA participation in the process culminating in the overthrow and death of the constitutional President of Chile, Salvador Allende. Chile now symbolizes a policy of aggression by a powerful country — violating all international norms — against a small nation that was searching the road of its independence through free and democratic means.

### President Allende Speaking in the United Nations, 1972

Today, President Allende's constant denunciations have proven to be true. Since 1972, in his speech before the United Nations, he said:

"My country is the victim of a grave aggression, and has been since the moment of our electoral triumph on September 4, 1970. We are affected by the development of powerful external pressures which tried to prevent the installation of a government freely elected by the people, and attempted to defeat it ever since. They have intended to isolate us from the world, strangle our economy, paralyze our commerce in our main export product, copper, and prevent our access to sources of international financial aid.

**Editorial Note:** The following is based on a speech delivered at Battell Chapel, Yale University, New Haven, Conn., on April 5, 1975, and at the Harvard Law School Forum, Harvard University, Cambridge, Mass., on April 8. A newspaper report appeared in the "Harvard Crimson", April 9. No report at all appeared in the "Boston Globe". All the money being spent by the Central Intelligence Agency comes from taxpayers of the United States and is voted by Congress in one way or another.

"We are conscious that when we denounce the economic and financial blockade, such a situation is not easily understood by the international public opinion, not even by some of our own countrymen, because it is not a declared open aggression, without disguise, before the face of the world. On the contrary, it is always an underground attack, indirect, but nonetheless damaging for Chile. We find ourselves faced with forces which operate in the shadows, without a flag, with powerful weapons, posted in the various spheres of influence."

### The Trail of North American Aggression

Unfortunately this dramatic warning fell on deaf ears. In order for it to come to light and draw attention, it has been necessary to kill a President, massacre 30,000 Chileans, imprison one hundred thousand people, and abolish all civil liberties. President Allende said it once again from inside the government palace, enveloped in flames:

"Foreign capital and imperialism, allied with reaction, have created such a climate that the armed forces have broken with their traditions — those traditions which General Schneider taught them and Commander Araya reasserted, both of them victims of the same social sector, of those same people who today will stay in their houses waiting to reconquer power through the actions of others in order to continue to defend their profits and privileges."

The tragic experience of underdeveloped countries shows that the intensity and scope of CIA action is in direct relation to the magnitude and strategic importance of North American interests, and the level of development and organization of the liberation movements. In Chile, the two conditions developed simultaneously. That accounts for both the old and the new strategy of the CIA, extending into almost every national activity.

With the CIA history in Chile, now partially revealed to the public, one can begin to reconstruct the abominable trail of North American aggression.

ression against our people:

1964: The CIA turned over three million dollars to the Christian Democratic party in order to help the presidential campaign of Eduardo Frei against the popular candidacy of Salvador Allende.

1969: On the eve of another presidential election the CIA distributed five thousand dollars "in order to maintain those individuals who would sustain the anti-Allende forces."

#### **Actions in 1970**

1970: Another half million dollars are handed over to the leaders of the political parties opposing the candidacy of Allende.

-A meeting to analyze the possibilities of an Allende victory takes place with the attendance of John A. McCone, a director of ITT and former director of the CIA, and Richard Helms, then Acting Director of the CIA.

-Henry Kissinger convokes an extraordinary meeting of the "40 Committee" in which the CIA is authorized to distribute four hundred thousand dollars among the press, radio, and television companies opposed to Allende.

-September 14. Harold S. Geneen, President of ITT, proposes his plans to Kissinger to intervene in Chile, saying that he is prepared to help economically "with sums up to seven figures for operations that will preserve the interests of ITT in Chile."

-September 15. The State Department authorizes Charles Korry, Ambassador to Chile, to do everything possible to prevent Allende's assumption of the Presidency.

-At the end of September Richard Helms, Director of the CIA, instructs William V. Broe, of the CIA Clandestine Services Division for the Western Hemisphere, to meet with Edward Gerrity, Vice President of ITT. In the meeting they studied "possible actions to apply economic pressure" intended to prevent the ratification of Salvador Allende as President of Chile by the National Congress.

-Between September and October the CIA spends three hundred fifty thousand dollars to bribe Chilean legislators against the imminent ratification of Allende as President.

-In October General Rene Schneider, Commander in Chief of the Army, is assassinated. The purpose of the crime is to provoke the intervention of the armed forces and thus stop the congressional ratification of Allende. Among the plotters we find Olalquiaga, a CIA agent born in Chile and residing in Venezuela, who makes a special trip to Chile during the days of the conspiracy.

-After Allende takes office, a meeting takes place between John McCone and William Broe to examine "contacts with selected members of the Chilean armed forces who would be able to lead some type of uprising."

-Judy Kessler, an AID official in Santiago, in a memorandum to Deane R. Hinton, CIA economic analyst in the US Embassy in Santiago, dated October 2, presents the diverse long and short range North American options for the destruction of the Popular Unity government.

-The National Security Council (NSC), with authority over the CIA, approves the anti-Chile policy of the "invisible blockade".

-In Chile John B. Tipton and James E. Anderson are put in charge of directing the network of agents infiltrated into the parties of the left and of the right, in accord with the following outline:

Clandestine Operations Group: Robert J. O'Neill, Vall Moss, Donald H. Winter, and Fred Shaner.

Work Group against Cuba, Socialist Countries, and Foreign Residents in Chile: Allen D. Smith, Franklin Tonini, and Arnold M. Isaacs. (Note: North American

residents in Chile were controlled by the consular officials).

In addition to those mentioned, Harry Schlauderman (now Ambassador to Venezuela), John B. Tipton, Keith Wheelock, and Joseph F. McManus were also part of this network.

-Raymond Warren, local chief of the CIA, arrives in October. The network formed under his direction includes the following, among others:

Group of Operations in Communications: (propaganda and psychological warfare) Claude G. Villareal, Paul L. Good, Denis A. Allred.

Paramilitary Operations Group: (with links outside of Chile) Leo G. Karpoff (Bolivia), David McGrath (Rio de Janeiro), Roberto L. Taylor (Bolivia), Claris R. Halliwell (Sao Paulo).

Military Intelligence Group (DIA): (worked with the CIA) Lawrence A. Corcoran, William Hon, James Switzer, Adrian Schreiber, and John Carrington (with the Air Force, later decorated by Pinochet for his participation in the bombardment of the government palace and other targets).

-At the end of 1970 the "40 Committee", presided over by Henry Kissinger, authorizes the CIA to distribute five million dollars for a "destabilization effort" against the government of President Allende, to be used between 1971 and 1973.

#### **Actions in 1971**

1971: January. A special committee is formed under the auspices of ITT to pressure the US Government and influence international credit agencies, and thus to threaten the Chilean government with economic chaos.

-Dean R. Hinton, specialist in the field of economic intelligence, plays an important role in coordinating the campaign for economic chaos, as Director of AID in Chile. In 1971 he is called to the US to fill a position on a sub-committee of the National Security Council, charged with defining government policy regarding the nationalization of North American interests abroad. Today Hinton has become Ambassador to Zaire.

-In February, Nixon declares that the election of a Socialist President in Chile can have profound implications for the Inter-American system.

-In March, Howard C. Edwards is arrested by the Chilean police for his possible involvement in an international maneuver to cause a reduction in the price of copper. Edwards had participated in the Bay of Pigs invasion and had worked in Czechoslovakia during the 1968 occurrences.

-Frederic W. Latrash, AID official who participated in the fall of Jacobo Arbenz in Guatemala in 1954 and in the destruction of the Nkrumah Government in Ghana in 1967, is named political director of the US Embassy in Santiago.

-"Patria y Libertad", "Fatherland and Liberty", an ultra-rightist paramilitary organization is formed in Chile under the operational experience of the CIA.

-The American Institute for Free Labor Development (AILFD), under the leadership of Robert O'Neill, country propaganda director for Chile, contributes to the formation of CUPROCH, Confederation of Chilean Professionals, an entity which was to play a decisive role in the truck owners and merchants strikes of 1972 and 1973.

-Edmundo Perez Zujovic, ex-Minister of the Interior in the Eduardo Frei government, is assassinated in June with the evident purpose of creating conditions for a coup d'etat. The VOP (Organized Vanguard of the People), a group said to be of the extreme left, was responsible for that crime. This group was infiltrated by Panamanian elements serving the CIA.

*(Continued in next issue)*